

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

Continental Casualty Company and)
Continental Insurance Company,)
)
Plaintiffs,) No. 07-C-6912
)
v.)
)
) Honorable Judge Harry D. Leinenweber
Commercial Risk Re-Insurance Company,)
Commercial Risk Reinsurance Company)
Limited, General Security Indemnity)
Company of Arizona, General Security) Magistrate Judge Arlander Keys
National Insurance Company, GIE)
Columbus, SCOR, and SCOR)
Reinsurance Company)
)
Defendants.)

APPLICATION FOR PARTIAL STAY PENDING ARBITRATION

Defendants, by and through their attorneys, in support of their application to stay this case in part pending arbitration, state:

1. Plaintiffs' Complaint seeks in part a declaration with respect to certain reinsurance contracts issued by Unity Fire and General Insurance Company ("Unity Fire"). (*See generally* Cmplt. ¶¶ 25, 34-35, 37-40).
2. In short, Plaintiffs seek a declaration that the contracts have not been commuted as part of a "Commutation and Release Agreement."
3. Defendants assert that the Unity Fire contracts were commuted.
4. On December 28, 2007, Plaintiff Continental Insurance Company issued a demand for arbitration relating to the same Unity Fire business referenced in the Complaint. (A true and correct copy is attached hereto as Exhibit 1)

5. On February 26, 2008, undersigned counsel, representing the interests of Unity Fire and defendant SCOR Reinsurance Company, responded, appointing an arbitrator, and advising that an award will be sought based on “release and commutation.” (A true and correct copy is attached as Exhibit 2)

6. As the matter pleaded before the Court relating to the claims under the “Unity Fire” contracts are being arbitrated at the Plaintiff’s specific instance and request, the Court should stay this action until such time as such arbitration has been had in accordance with the terms of the agreements. *See* 9 U.S.C. § 3.

WHEREFORE, Defendants Commercial Risk Re-Insurance Company, Commercial Risk Reinsurance Company Limited, General Security Indemnity Company of Arizona, General Security National Insurance Company, GIE Columbus, SCOR [sic], and SCOR Reinsurance Company, pray that this honorable Court stay this action in part until resolution of the pending arbitration addressing the same issues before this Court.

Date: February 29, 2008

**COMMERCIAL RISK RE-INSURANCE
COMPANY, COMMERCIAL RISK REINSURANCE
COMPANY LIMITED, GENERAL SECURITY
INDEMNITY COMPANY OF ARIZONA, GENERAL
SECURITY NATIONAL INSURANCE COMPANY,
GIE COLUMBUS, SCOR S.E., AND SCOR
REINSURANCE COMPANY,**

By: /s/Carl H. Poedtke III
One of their attorneys

Stephen W. Schwab (ARDC # 6183518)
Carl H. Poedtke III (ARDC # 6237886)
Michael C. Kasdin (ARDC # 6283200)
DLA PIPER US LLP
203 North LaSalle Street, Suite 1900
Chicago, IL 60601
Tel (312) 368-4000
Fax (312) 236-7516